



California Health and Human Services Agency Data Center

Electronic Benefit Transfer (EBT) Project

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September 28, 2000

To: All County Welfare Directors
All EBT Primary County Contacts

Now that we have completed evaluation of final proposals for the Electronic Benefit Transfer (EBT) System, and contract negotiations are scheduled to begin soon, we would like to take this opportunity to update you on the status of the EBT project and to introduce you to several significant areas of focus for the project during the coming months. We appreciate the support we received from counties during development of the Invitation To Partner (ITP) and evaluation of the proposals. We also appreciate your continued patience as we conclude this lengthy procurement process. Below, we have described the current status of the contract, key-planning areas requiring county participation, and provided a tentative project schedule.

Contract Status

The evaluation of final proposals was completed in July 2000, and on August 3 the public cost proposal opening was held. The evaluation and selection team identified Citicorp Services Inc. as the apparently successful bidder, and on August 16, recommended the State begin contract negotiations with Citicorp.

Contract negotiations are estimated to begin in October and will last approximately twelve weeks. At the conclusion, the State will issue a Notice of Intent to Award and will seek necessary State and federal approvals that are estimated to take approximately five months. Once all approvals are secured, the contract will be awarded and executed, and the project will begin.

In order to meet project timelines, the EBT contractor must begin requirements definition and design sessions immediately following contract award. We are planning several workgroup efforts to assure the State and counties are prepared for design sessions with the contractor.

Where appropriate, previously established EBT workgroups (planning, technical and settlement/reconciliation) will be reconvened. These and other workgroups will cover the topics of county cash EBT selection, county readiness, eligibility system interfaces, settlement and reconciliation. Additional participation may be solicited to ensure appropriate representation on the workgroups. Each of these topics are briefly described below:

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County Cash EBT Selection

Based upon cash decision training provided in 1999, counties submitted non-binding "Expression of Interest or Intent to Decline" letters for cash benefit issuance in April 2000. These letters will be the basis for initial development of the project approval documents. With assistance from the CWDA representatives, a County Cash Selection Workgroup will be formed. The workgroup will work closely with the Project to determine how best and when to disseminate cost information and to establish communication lines for facilitating counties' final binding decisions to use EBT for cash benefit issuance. The final county decisions will be reflected in the EBT contract.

County Readiness Guide and Training

A Readiness workgroup will be formed to assist the EBT staff in developing a county readiness guide and readiness training. It is anticipated that the workgroup will meet four times: 1) An October 2000 meeting/conference call focusing on review and approval of the readiness guide overview and outline, 2) A December 2000 meeting focusing on review of the draft readiness guide, 3) A January 2001 meeting focusing on review and approval of the final readiness guide and review of the draft readiness training, and 4) A February 2001 meeting focusing on review and approval of the final readiness training.

Approximately one month before contract execution, the pilot county will receive the readiness guide and training, and approximately three months after contract execution, all remaining counties will receive the readiness guide and training. Additional implementation training will be provided to each county immediately preceding its EBT implementation.

Eligibility System Interfaces

Under the contract, consortia and county eligibility systems will be required to interface with the EBT System to transmit recipient account setup and benefit authorization information. The eligibility system interface planning effort will begin in November 2000 for the purpose of familiarizing technical representatives from each eligibility system with interface options, interface development efforts, timing, files and reports, and roles and responsibilities.

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The EBT ITP contained a technical specifications document that was developed with the assistance of the EBT Technical Workgroup. This technical specifications document will be reviewed to confirm that it continues to meet the interface needs and requirements of each eligibility system. This activity also will help the State and counties prepare for joint application development (JAD) sessions with the EBT contractor that begin shortly after contract execution. Designated technical representatives for each eligibility system will be invited to attend a kick off meeting on Thursday, November 2, 2000, in Sacramento.

In early 2001, additional technical meetings will be scheduled to focus separately on the batch and host-to-host interfaces. Counties will be notified of these meetings at the November 2, 2000 meeting.

Prior to commencement of JAD sessions with the EBT contractor, a final preparatory meeting for the State and counties will be held.

Settlement and Reconciliation

Settlement is a critical function of the EBT that assures retailers and ATM owners are reimbursed in a timely manner. Reconciliation is key to managing government funds. If a county chooses to include cash programs, county financial officers will be responsible for moving funds on a daily basis to the EBT contractor to cover payments to retailers and ATM owners.

The previously established EBT County Settlement and Reconciliation Workgroup will reconvene soon to provide input on a draft settlement and reconciliation business process document. In early 2001, the settlement and reconciliation business process document will be sent to all counties for review and comment. Early development of the business process document will assist the State and counties in preparing for JAD sessions with the EBT contractor.

Tentative Project Schedule

Design, development and implementation of the EBT will begin after the contract is executed. The preliminary project schedule is as follows. Key activities are listed by the number of months following the date of contract execution in which they occur:

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Months 1-3	Finalize EBT Plans and Schedules
Months 1-5	System and Batch Eligibility Interface Design
Months 6-10	System and Batch Eligibility Interface Development Host-to-Host Eligibility Interface Design
Months 11-15	Host-to-Host Eligibility Interface Development LEADER Host-to-Host Eligibility Interface Development
Months 11-13	Alameda County Pilot Operations (Batch Interface)
Months 13-17	CalWIN Host-to-Host Eligibility Interface Development
Months 14-15	Alameda County Pilot Evaluation
Months 16-20	Los Angeles District Pilot Operations and Evaluation WCDS Counties Implementation (Batch Interface) ISAWS Host-to-Host Eligibility Interface Development County Legacy Eligibility System Interfaces Development (Riverside, Stanislaus, and Ventura Counties)
Months 18-37	WCDS Counties Migration to CalWIN Host-to-Host Eligibility Interface (Coordinated with CalWIN Schedule)
Months 21-25	Los Angeles County Implementation ISAWS Host-to-Host Eligibility Interface Pilot Operations and Evaluation Riverside, Stanislaus, and Ventura Counties Implementation
Months 25-33	ISAWS Counties Implementations
Months 26-30	C-IV Host-to-Host Eligibility Interface Development
Months 32-40	C-IV County Migrations/Implementations (Coordinated With C-IV SAWS Schedule)
Month 41	Statewide Implementation Complete

For your information, we have enclosed a current list of primary EBT Project/County contacts. Please take this opportunity to provide the Project with any changes. If you have any questions or comments, please feel free to contact Bruce Brubaker at (916) 229-4466.

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Thank you for your continued support of the EBT Project.

Sincerely,

Original signed by Chris Dunham on 9/28/00

CHRIS DUNHAM
EBT Project Manager

Enclosure: EBT Project (HHSDC) Contact List
EBT Primary County Contacts List

cc: Steve Howe, HHSDC
George Christie, HHSDC
Cal Rogers, CDSS
Debbie McFadden, CDSS